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SUBJECT: SANTO DOMINGO ECONOMIC-POLITICAL ROUNDUP, DECEMBER 21, 2007

- (U) In this edition of the Roundup:
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- 12. New Model Community for Sugarcane Workers
- 13. Government Will Not Prosecute Electricity Theft
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- 11. (SBU) Supreme Court Rules in Favor of Journalist's FOIA Request

On December 6, the Supreme Court ruled in favor of journalist Luis Eduardo "Huchi" Lora in an important test of the Dominican Republic's Freedom of Information Act (FOIA). had requested documents regarding construction plans and geological studies of Santo Domingo's controversial subway project after he received information that proper feasibility studies had not been conducted. A lower court ruled in April that the Presidential Transportation Reorganization Office (OPRET) must provide the requested information; however, the government appealed the decision on national security grounds. The Supreme Court upheld the lower court's ruling, forcing OPRET to provide the requested information. Lora has already received several bins and folders of documents from the government and he expects to receive additional information. Comment: During the Ambassador's courtesy call on Supreme Court President Subero Isa on December 19, Subero cited the subway FOIA case as one the two most important decisions made by the court this year. It is indeed rare here to see the executive branch lose a major court case and this one is precedent setting, since the public and government are testing the scope and limit of the 2004 FOIA The two court rulings and OPRET's eventual compliance are significant steps toward open, transparent governance and adherence to the rule of law. End Comment.

12. (SBU) New Model Community for Sugarcane Workers

The major sugar producing firm the Vicini Group has broken ground on a USD5.5 million housing project designed to improve living conditions for its sugarcane workers and other "batey" (sugarcane community) residents. The 18-month plan calls for relocating approximately 1,000 individuals -- workers, their families, and selected long-term non-working

batey residents currently scattered among three bateys -into a new community of 127 basic concrete homes centered on
a primary school, a health clinic, and two churches.
According to the Vicinis, residents of this new community
will be provided with electricity, water (potable water and a
sewage system), and trash collection, none of which are
currently common. Two additional communities are in planning
stages. All three communities will be served by a high
school, paid for by the Vicinis, that is nearly complete.
Vicini Group senior officials took pains to assert that these
relocation plans are part of a long-term, preexisting effort
to improve social responsibility and not a response to NGOs
and others that have recently criticized conditions in the
sugar industry, most notably in a spate of films (e.g. "The
Price of Sugar," "Big Sugar," "Sugar Babies"), and in the
controversially titled photographic display, "Slaves in
Paradise."

## $\underline{\mbox{1}}\mbox{3.}$ (SBU) Government Will Not Enforce Prosecution of Electricity Theft

The Dominican Superintendent of Electricity announced on December 3 that recently passed legislation criminalizing electricity theft will not be enforced for at least another three months. This announcement was made despite the fact that the grace period for implementation, which was supported by officials from the distribution companies, has expired. The legislation was passed as a condition of the country's current IMF stand-by agreement and is a pillar of the reform efforts necessary to reduce the country's roughly USD650 million subsidy for electricity. Comment: Upon passage of the legislation in July, Bear Sterns' regional analyst made a prescient warning, i.e. "We are concerned about the government's ability and/or willingness to enforce this new

law given the proximity of next May's presidential election."
While excuses were provided such as the need to launch a
public awareness campaign and hire special prosecutors and
staff, the failure to implement this legislation clearly
reinforces the perception that the government is currently
unwilling to pay the political cost of holding those
responsible for theft accountable. The decision also
contradicts the government's recent statements about the need
for energy conservation in the context of rising fuel prices,
since there is little incentive to save energy when there is
no penalty for its theft. Resolving the electricity sector's
problems is essential to reducing the government's burdensome
subsidy and, more broadly, for improving the prospects for
economic growth. End Comment.

## 14. (U) Music Inspires Social Progress

The First Lady of the Dominican Republic headlined the launch of a campaign against domestic violence on December 19 entitled, "Pegale a la Pared," which was inspired by a song of the same title by Mexican musician Reyli Barba. The launch witnessed the signing of a law enforcement and assistance cooperation agreement between the Attorney Generals' Offices of the Dominican Republic and Puerto Rico. Domestic violence has reached alarming levels in recent years in the Dominican Republic, according to the Dominican special prosecutor for women's issues. Barba, who played the campaign's theme song live to a packed audience, was joined by musician Gilberto Santa Rosa, also know as the "Gentleman of Salsa," and a representative of the Dominican merengue music idol Juan Luis Guerra, who together have added celebrity clout to this campaign's message. The most concrete outcome of the campaign's launch appears to be the initiative to open as many as 27 domestic violence support centers throughout the Dominican Republic in 2008.

(U) This report and additional information can be found on Embassy Santo Domingo's SIPRNET site, http://www.state.sgov.gov/p/wha/santodomingo/FANNIN